

Appl. No. 09/832,513
Amdt. dated May 1, 2006
Reply to Final Office Action of January 6, 2006

PATENT

REMARKS/ARGUMENTS

Upon entry of this amendment, claims 1-3, 5-16, 18-25, 30 and 31 will be pending in this application and presented for examination. Claims 1 and 14 were amended. Support for the amended claims can be found in the specification. No new matter has been added. Reconsideration is respectfully requested.

Interview Summary

Applicants would like to thank the Examiner for the interview conducted on April 12, 2006. During the interview, Applicants' attorney Daniel Mao discussed with the Examiner regarding claims 1-3, 5-16, 18-25, 30 and 31, with Mr. Lu Yin also present at the interview. During the interview, the Examiner reviewed Applicants' business website (www.ironplanet.com) that is related to various aspects of the present application.

Applicants' attorney pointed out to the Examiner that certain embodiments of the present application are related to online auctioning, in which an auctioning system provides an inspection report that includes a warranty. For example, the warranty is for the inspection report, not for the underlying auction items. In another example, the auctioning system and/or entity only compensates buyers for inaccuracy of the inspection reports, but not for the actual auctioning items. As the Examiner noted in his Interview Summary mailed April 14, 2006, "the actual condition of the good is only relevant with respect to what is on the inspection report".

Claims

Claims 1, 3, 5-7, 9-10, 14, 16, 20-21, 25 and 30-31 stand rejected under 35 U.S.C. § 103(a) as allegedly being obvious over Woolston in view of Walker. Additionally, claims 2, 13, 15, and 24 stand rejected under 35 U.S.C. § 103(a) as allegedly being obvious over Woolston in view of Walker, and further in view of admitted prior art. Moreover, claims 8, 11, 19, and 22 stand rejected under 35 U.S.C. § 103(a) as allegedly being obvious over Woolston in view of Walker, and further in view of Fisher. In addition, claims 12 and 23 stand rejected under 35 U.S.C. § 103(a) as allegedly being obvious over Woolston in view of Walker, and further in view

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of Shemesh. Finally, claim 18 stands rejected under 35 U.S.C. § 103(a) as allegedly being obvious over Woolston in view of Walker, and further in view of *Microsoft Computer Dictionary*. Applicants respectfully traverse all of the Examiner's rejections.

Amended Claim 1

A. Woolston and Walker do not, alone or in combination, teach or suggest a warranty associated with a merchandise inspection report

In light of the interview conducted on April 12, 2006, claim 1 has been amended to further emphasize and clarify the limitation "warranty". For example, claim 1 has been amended to include the limitation "said merchandise inspection report including a warranty as an assurance to said buyer, said warranty being associated with the merchandise inspection report." (emphasis added). As supported and explained in the specification (e.g., see Fig. 2; see also pages 7-8 of the specification), a warranty is provided for an inspection report, which is a part of the assurance module according to certain embodiments of the present invention.

The Examiner conceded (on Page 5 of the Office Action mailed January 6, 2006) that Woolston fails to teach that the inspection report includes a warranty. However, the Examiner asserted that it would have been obvious to a person of ordinary skill in the art to modify the inspection report of Woolston to include a warranty as taught by Walker. The Examiner further noted that the "guarantee (as disclosed in Walker) insures that the buyer has not purchased a counterfeit item or an item of unacceptable quality." (page 5, Office Action mailed January 6, 2006, emphasis added).

But Walker fails to disclose the warranty as recited in amended claim 1. For example, the warranty ensures the accuracy of the inspection report. In another example, a potential bidder or buyer, seeing the warranty attached to the inspection report, would know that the merchandise inspection report should accurately describe the merchandise item in an "as is, where is" condition.

In contrast, Walker discloses a warranty that is available after there have already been an offer and an acceptance between the buyer and the seller. Walker teach a warranty for

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the auctioning item, not for the inspection report itself. More specifically, Walker discloses the following:

According to one aspect of the invention, once a CPO is accepted by a seller, but before completing the transaction, the goods are preferably forwarded to a dealer/authenticator for evaluation. The dealer/authenticator can be part of the collectible CPO management system or another third party having knowledge of the subject goods. The dealer/authenticator preferably validates, authenticates and optionally guarantees the goods, while also serving as the distribution point for the collectibles sold by the collectible CPO management system. As used herein, validation establishes that the item actually exists. Authentication proves that the item is in the condition stated by the accepting seller. The, guarantee, if desired, insures that the buyer has not purchased a counterfeit item or an item of unacceptable quality. *(emphasis added; Walker, column 3, lines 40-52).*

Hence Woolston and Walker do not, alone or in combination, teach or suggest "merchandise inspection report including a warranty as an assurance to said buyer, the warranty being associated with said merchandise inspection report" (claim 1, emphasis added).

Accordingly, claim 1 is asserted to be allowed for at least the above reasons.

B. Woolston and Walker do not, alone or in combination, teach or suggest conducting presale inspection

Woolston, alone or in combination with Walker, fails to disclose the limitation in claim 1 reciting "an assurance module coupled to said preregistration module for conducting a presale inspection of said merchandise item and to generate a merchandise inspection report." For example, the presale inspection occurs, as the term "presale" suggests, before the auction system even puts a merchandise item on sale. In claim 1, the assurance module in claim 1 provides a warranty with respect to the accuracy of the merchandise inspection report. By way of an example, when a merchandise item is listed for sale, the inspection of that merchandise item would have already been performed by an impartial third party and bidders would be able to rely on the information from the inspection report and be able to bid accordingly. In an auction

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system, it would often be advantageous and efficient for bidders to have more information from the inspection report when bidding for a merchandise item.

In contrast, the assurance that Woolston discloses appears to relate to the trustworthiness of the transaction and the absence of fraud. The relevant part of Woolston as cited by the Examiner discloses the following:

These procedures may be used to give assurances and create trust to participants, who for example would like to buy and art deco collectable from a collectable shop in Russia but is very reluctant to send credit card information to an unknown Russian collectable shop for the obvious concerns of credit card fraud and/or fraud in the bona fides of the collectable good itself. (Woolston, column 18, lines 46-52).

The Examiner explained that "in order to provide the assurance of the bona fide nature of the goods and to provide subjective criteria as to authenticity, the consignment node must inspect the good prior to electronically presenting." (*emphasis added*; page 3 of the Office Action mailed January 6, 2006). Applicants respectfully disagree. To provide the assurance of the bona fide nature, the consignment node does not have to inspect the good. There could be various ways to provide assurance of the bona fide nature of the goods. For example, the consignment node may provide assurance based on prior dealings or reputation of a certain seller, not based on the result of any inspection.

Additionally, Walker teaches against having an inspection report and a warranty associated thereof before a sale. The timing of the inspection report and its warranty is often an important aspect in an auction system. In Walker, the per item transaction cost may arguably be lower than the auction system of the present invention, as an inspection is only conducted where there have already been an offer and an acceptance between the buyer and the seller. Walker's system would not incur costs associated with inspection for every merchandise item that is being auctioned.

In contrast, according to an embodiment of the present invention, claim 1 can make quality control and inspection information available to bidders before bidders place their bids. For example, even if a bidder knows that the finalization of transaction is conditioned upon

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the final validation or inspection by an impartial third party, the bidder is faced with wasting time bidding on merchandise items with potentially unacceptable quality, and that deters bidders from placing their bids. In an embodiment of present invention, bidders, knowing that an impartial third party has already inspected the merchandising item, would have been more willing to place bids.

Therefore, Woolston, alone or in combination with Walker, fails to disclose the limitation in claim 1 reciting "an assurance module coupled to said preregistration module for conducting a presale inspection of said merchandise item and to generate a merchandise inspection report."

Accordingly, claim 1 is asserted to be allowed for at least the above reasons.

C. Woolston and Walker do not, alone or in combination, teach or suggest removing a merchandise item from an auction system if the seller does not agree with the merchandise inspection report

Woolston, alone or in combination with Walker, fails to disclose the limitation in claim 1 reciting "auction system removes said merchandise item from said auction system if a seller of said merchandise item does not agree with said merchandise inspection report generated by said assurance module."

The Examiner suggested that "Woolston teaches a de-post feature that may be used when a seller does not want the consignment node user to post the item any longer." (see page 5 of the Office Action mailed January 6, 2006). In addition, the Examiner cited the following:

The de-post module 724 may use the bar code scanner 730 to receive a posted collectible's identification code. The de-post module 724 may call the de-post request routine 728 to establish communications between the posting terminal 700 and the market maker computer 800. The de-post request module 728 sends the item or collectible bar code to the post/de-post handler 802. The post/de-post handler 802 may remove the collectible identified by the bar code from the for-sale database 814, if the de-posting terminal identification has legal title to the identified collectible as indicated in a for-sale record, the market maker computer 800 may send a de-post

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confirm code to the posting terminal 700. The posting terminal 700 may process the confirm signal by indicating that the de-posting procedures was performed. (Emphasis added; Woolston c17, lines 41-55).

The Examiner explained that "Examiner interprets this as being applicable when a seller does not agree with the inspection report performed by the consignment node (e.g., impartial third party)". Applicants respectfully disagree. While the "de-post" feature in Woolston allows a "posted" item to be taken down from being posted, Woolston does not teach or suggest "an auction system removes said merchandise item from said auction system if a seller of said merchandise item does not agree with said merchandise inspection report generated by said assurance module." For example, Woolston teaches the mechanism that provides the "de-posting" to allow a party making the post to remove the post. (See column 14, lines 61-64). Woolston further explains that "de-post" process ensures that only entity holding the legal tile may "de-post". (see column 17, lines 55-60). Woolston does not teach removing a merchandise item for satisfying the condition that "a seller of said merchandise item does not agree with said merchandise inspection report generated by said assurance module." In short, Woolston discloses removing item from the consignment nodes, but does not disclose the specific condition (as stated in the claim) that causes such removal.

Accordingly, claim 1 is asserted to be allowed for at least the above reasons.

Remaining Claims

In light of the above, it is asserted that claims 2-3, 5-16, 18-25, 30 and 31 are allowable for substantially the same reason as claim 1, and more particularly for the specific features they recite.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 650-326-2400.

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Respectfully submitted,



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